WHEREAS, the encouragement and expansion of investment, especially in the manufacturing sector, has become necessary so as to strengthen the domestic production capacity and thereby accelerate the economic development of the country and improve the living standards of its peoples;

WHEREAS, it has become necessary to further increase the inflow of capital and speed up the transfer of technology into the country;

WHEREAS, it has become necessary to enhance and promote the equitable distribution of investments among regions and benefit the society by ensuring competitiveness among investments made by investors;

WHEREAS, it has been considered that the establishment of industrial development zones helps, by creating enabling and competitive condition, to interrelate manufacturing sectors based on value creation as well as to attract and expand investment;
WHEREAS, to these ends, it has become necessary to revise the existing law on investment;

NOW, THEREFORE, in accordance with Article 55(1) of the Constitution of the Federal Democratic Republic of Ethiopia, it is hereby proclaimed as follows:

PART ONE
GENERAL

1. Short Title
This Proclamation may be cited as the “Investment Proclamation No. 769/2012”.

2. Definitions
In this Proclamation, unless the context otherwise requires:

1/ “investment” means expenditure of capital in cash or in kind or in both by an investor to establish a new enterprise or to expand or upgrade one that already exists;

2/ “enterprise” means an undertaking established for the purpose of profit making;

3/ “capital” means local or foreign currency, negotiable instruments, machinery or equipment, buildings, working capital, property rights, patent rights, or other business assets;

4/ “investor” means a domestic or a foreign investor having invested in Ethiopia;

5/ “domestic investor” means an Ethiopian national or a foreign national treated as a domestic investor as per the relevant law, and includes the government, public enterprises as well as cooperative societies established as per the relevant law;

6/ “foreign investor” means a foreigner or an enterprise wholly owned by foreign nationals, having invested foreign capital in Ethiopia or a foreigner or an Ethiopian incorporated enterprise owned by foreign nationals jointly investing with a domestic investor, and includes an Ethiopian permanently residing abroad and preferring treatment as a foreign investor;
7/ “foreign capital” means capital obtained from foreign sources, and includes the re-invested profits and dividends of a foreign investor;

8/ “expansion” or “upgrading” includes increasing in volume, by at least 50% the attainable production or service rendering capacity of an existing enterprise or increasing in variety, by at least 100%, by introducing a new production or service rendering line of an existing enterprise or increment by both;

9/ “public enterprise” means an enterprise, wholly or partially owned by the federal or regional government;

10/ “transfer of technology” means the transfer of systematic knowledge for the manufacture of a product, for the application or improvement of a process or for the rendering of a service, including management and technical know-how as well as marketing technologies, but may not extend to transactions involving the mere sale or lease of goods;

11/ “export-oriented non-equity based foreign enterprise collaboration” means a 100% export-oriented contractual agreement between a domestic investor and foreign enterprise in which the foreign enterprise provides, among others, all or some of the following:

a) guaranteed external market access;
a) production know-how of products for export market;

b) export marketing know-how;

d) export business management know-how;

c) strategies for the supply of raw materials and intermediate inputs needed for export products;

12/ “government” means the federal government or a regional government;

13/ “region” means any state specified under Article 47(1) of the Constitution of the Federal Democratic Republic of Ethiopia and includes the Addis Ababa and Dire Dawa city administrations;
14/ "Agency" means the Ethiopian Investment Agency to be established by regulation of the Council of Ministers;

15/ "Investment Board" means the highest governing body of the Agency;

16/ "appropriate investment organ" means the Agency or the executive organ of a region empowered to issue investment permits;

17/ "industrial development zone" means an area with distinct boundary designated by the appropriate organ to develop identical, similar and interrelated industries together or to develop multi-faceted industries based on a plan fulfilling infrastructures such as road, electric power and water and having incentive schemes with purposes containing industrial development, mitigating the impacts of environmental pollution and administering the development of urbans with plan and system;

18/ any expression in the masculine gender includes the feminine.

3. Scope of Application

The provisions of this Proclamation may not be applicable to investments in the prospecting, exploration and development of minerals and petroleum resources.

4. Jurisdiction

1/ The administration of the following investments shall be under the jurisdiction of the Agency:

a) wholly foreign owned investment;

b) joint investment made by domestic and foreign investors;

c) investment made by a foreign national, not Ethiopian by origin, treated as a domestic investor pursuant to Article 2(5) of this Proclamation;

d) investment made, in areas eligible for incentives, by a domestic investor who is required to obtain a business license from the concerned federal organ.
2/ Notwithstanding the provisions of sub-article (1) of this Article, the issuance, renewal, replacement and cancellation of investment permits for air transport services and for generation or transmission or distribution of electrical energy shall be carried out by the Ethiopian Civil Aviation Authority and the Ethiopian Electricity Agency respectively, representing the Agency.

3/ The Ethiopian Civil Aviation Authority and the Ethiopian Electricity Agency shall:
   a) carry out functions delegated to them under sub-article (2) of this Article in accordance with this Proclamation, and regulations and directives issued hereunder;
   b) forward to the Agency information regarding the services they have rendered by way of delegation.

4/ Investments other than those referred to in sub-article (1) and (2) of this Article shall fall under the jurisdiction of regional investment organs.

PART TWO

INVESTMENT OBJECTIVES AND AREAS OF INVESTMENT

5. Investment Objectives

The investment objectives of the Federal Democratic Republic of Ethiopia are designed to improve the living standards of the peoples of Ethiopia through the realization of sustainable economic and social development, the particulars of which are the following:

1/ to accelerate the country’s economic development;
2/ to exploit and develop the immense natural resources of the country;
3/ to develop the domestic market through the growth of production, productivity and services;
4/ to increase foreign exchange earnings by encouraging expansion in volume, variety and quality of the country's export products and services as well as to save foreign exchange through production of import substituting products locally;

5/ to encourage balanced development and integrated economic activity among the regions and to strengthen the inter-sectoral linkages of the economy;

6/ to enhance the role of the private sector in the acceleration of the country's economic development;

7/ to enable foreign investment play its role in the country's economic development;

8/ to create ample employment opportunities for Ethiopians and to advance the transfer of technology required for the development of the country.

Areas of Investment Reserved for the Government or Joint Investment with the Government

1/ The following areas of investment shall exclusively be reserved for the government:

   a) transmission and distribution of electrical energy through the integrated national grid system;
   b) postal services with the exception of courier services;
   c) air transport services using aircraft with a seating capacity of more than fifty passengers.

2/ Investors shall be allowed to invest in the following areas only jointly with the government:

   a) manufacturing of weapons and ammunition;
   b) telecom services.

3/ The Council of Ministers may, whenever it deems necessary, determine, by issuing regulation, that areas of investment exclusively reserved for the government or for joint investment with the government be opened to private investors.
7. Areas of Investment Reserved for Domestic Investors

Areas of investment exclusively reserved for domestic investors shall be specified by regulation to be issued by the Council of Ministers.

8. Areas of Investment Allowed for Foreign Investors

Areas of investment open for foreign investors shall be determined by regulation to be issued by the Council of Ministers.

9. Investments to be Undertaken Jointly with the Government

The Privatization and Public Enterprises Supervising Agency shall receive investment proposals submitted by any private investor intending to invest jointly with the government; it shall submit same to the Ministry of Industry for decision and, upon approval, designate a public enterprise to invest as partner in the joint investment.

PART THREE
FORMS OF INVESTMENT AND CAPITAL REQUIREMENT FOR FOREIGN INVESTORS

10. Forms of Investment

1/ Investments may be carried out in one of the following forms:

a) sole proprietorship;

b) business organization incorporated in Ethiopia or abroad;

c) public enterprise established in accordance with the relevant law;

d) cooperative society formed in accordance with the relevant law.

2/ Any investment made in the forms prescribed under sub-article (1) of this Article shall be registered in accordance with the Commercial Code or other applicable law.
11. Minimum Capital Requirements for Foreign Investors

1/ Any foreign investor, to be allowed to invest pursuant to this Proclamation, shall be required to allocate a minimum capital of USD 200,000 for a single investment project.

2/ Notwithstanding the provision of sub-article (1) of this Article, the minimum capital required of a foreign investor investing jointly with a domestic investor shall be USD 150,000.

3/ The minimum capital required of a foreign investor investing in architectural or engineering works or related technical consultancy services, technical testing and analysis or in publishing work shall be:
   a) USD 100,000 if the investment is made wholly on his own;
   b) USD 50,000 if the investment is made jointly with a domestic investor.

4/ A foreign investor re-investing his profits or dividends generated from his existing enterprise may not be required to allocate a minimum capital.

5/ Any foreign investor having brought investment capital into the country shall have registered same by the Agency and obtain a certificate of registration. The Agency shall send a copy of the certificate to the National Bank of Ethiopia.

PART FOUR
INVESTMENT PERMIT

12. Requirement of Investment Permit

1/ The following investors shall be required to obtain investment permits:
   a) foreign investors;
   b) domestic and foreign investors investing in partnership;
   c) foreign nationals, not Ethiopian by origin, treated as a domestic investors pursuant to Article 2(5) of this Proclamation;
d) domestic investors investing in areas eligible for incentives and who are seeking to be beneficiaries of such incentives.

2/ Notwithstanding the provision of sub-article (1) of this Article, domestic investors, excluding foreign nationals who are not of Ethiopian origin, shall have the right to invest, without having an investment permit, in conformity with the relevant laws of the country:
   a) in areas not eligible for incentives; or
   b) waiving their right of entitlement in those areas eligible for incentives.

3/ Notwithstanding the provision of sub-article (1) of this Article, a foreign investor intending to buy an existing enterprise in order to operate it as it stands or to buy shares of an existing enterprise shall obtain prior approval from the Ministry of Trade.

4/ The Ministry of Trade shall, upon receipt of a request made in accordance with sub-article (3) of this Article, ascertain, in both cases of transfer, that the enterprise is engaged in areas allowed for foreign investors, the minimum capital requirement provided for in this Proclamation and other requirements laid down in the Commercial Registration and Business Licensing Proclamation are fulfilled.

5/ The Ministry of Trade shall, after examining the request in accordance with sub-article (4) of this Article:
   a) replace the business license or register the share transfer, upon receipt of the appropriate fee, where the application is found acceptable; or
   b) notify to the investor its decision and the reason thereof in writing, where the application is found unacceptable.
An application for investment permit by a domestic investor shall be made in a form designed for such purpose and submitted to the appropriate investment organ together with the following documents in one copy:

1/ where the application is signed by an agent, a photocopy of his power of attorney;

2/ where the investment is to be made by an individual person, a photocopy of his identity card or a photocopy of the identity card evidencing his domestic investor status and his recent two passport size photographs;

3/ where the investment is to be made by a business organization, a photocopy of its memorandum and articles of associations or where the business organization is to be newly established, in addition, it shall submit a photocopy of the shareholders identity cards or a photocopy of identity cards evidencing their domestic investor status;

4/ where the investment is to be made by a public enterprise, a photocopy of the regulation under which it is established or a photocopy of its memorandum and articles of associations;

5/ where the investment is to be made by a cooperative society, a photocopy of its articles of association.

Application for Investment Permit by a Foreign Investor

1/ Application for investment permit by a foreign investor shall be made in a form designed for such purpose and submitted to the Agency together with the following documents in one copy:

a) where the application is signed by an agent, a photocopy of his power of attorney;

b) where the investment is to be made by an individual person, a photocopy of the relevant pages of a valid passport showing his identity and his recent two passport size photographs;
c) where the investment is to be made by an Ethiopian permanently residing abroad, preferring treatment as a foreign investor, a photocopy of a document evidencing that he is residing abroad;

d) where the investment is to be made by a business organization incorporated in Ethiopia:

(1) a photocopy of its memorandum and articles of associations or where it is to be newly established, in addition, it shall submit a photocopy of the relevant pages of a valid passport of each shareholder showing his identity and recent two passport size photographs of the general manager; (2) where there is a foreign national treated as a domestic investor in the business organization, a photocopy of the identity card evidencing the domestic investor status; (3) where there is a juridical person or a branch of a foreign juridical person in the business organization, a photocopy of its memorandum of association and articles of association or similar documents of the parent company, commercial registration certificate and a photocopy of the minutes of resolution passed by the authorized organ of the parent company authorizing the juridical person or the branch to invest in Ethiopia.

e) where the investment is to be made by an Ethiopian branch of a foreign business organization incorporated abroad:

(1) a photocopy of its memorandum and articles of associations or a similar document of the parent company; (2) a photocopy of a document attesting the appointment of the branch manager and his two recent passport size photographs, a photocopy of the relevant pages of a valid passport or identity card of the branch agent and a photocopy of commercial registration certificate of the business organization;
(3) a photocopy of the minutes of resolution of the authorized organ of the parent company authorizing the establishment of a branch company in Ethiopia.

f) where it is a joint investment by domestic and foreign investors, in addition to the documents provided under sub-article (1)(d) of this Article, a photocopy of the identity card or a photocopy of the identity card evidencing the domestic investor status of the domestic investor, as the case may be;

g) a document evidencing the financial position or, identity or profile of the investor, as deemed appropriate by the Agency.

2/ All documents under sub-article (1) of this Article whose sources are outside of Ethiopia shall be authenticated by a foreign and domestic notary.

3/ Where the permit is requested by a person whose permit was cancelled due to deliance of project, the Agency shall ascertain that the causes of the deliance and cancellation are rectified.

15. Application for Investment Permit for Expansion or Upgrading

An application for investment permit to expand or upgrade an existing enterprise shall be made in a form designed for such purpose and submitted to the Agency together with the following documents in one copy:

1/ where the application is signed by an agent, a photocopy of his power of attorney;

2/ where the investment is made by a sole proprietor, a photocopy of the relevant pages of his valid passport or an identity card of his domestic investor status or a photocopy of his identity card and his two recent passport size photographs, as the case may be;
where the investment is made by a business organization, a photocopy of the company’s memorandum and articles of associations and two recent passport size photographs of the general manager;

4/ a photocopy of a valid business license of the existing enterprise; and

5/ a photocopy of project feasibility study.

16. Issuance of Investment Permit

1/ Upon receipt of an application made in accordance with Article 13, Article 14 or Article 15 of this Proclamation, the appropriate investment organ shall, after examining the intended investment activity in light of this Proclamation, and regulations and directives issued hereunder:

a) issue investment permit upon receipt of the appropriate fee, where the application is found acceptable; or

b) notify the investor of its decision and the reason thereof in writing, where the application is found unacceptable.

2/ The appropriate investment organ shall, after issuing the investment permit, notify the concerned institutions so that the latter could conduct the necessary follow up.

3/ A holder of an investment permit may not be required to obtain a business license until the commencement of production or rendering of service upon completion of his project.

4/ An investment permit may not be transferred to another person without prior written approval of the appropriate investment organ.

5/ Where an investment permit is transferred to another person or where any change is made in its content, it shall be submitted to the appropriate investment organ for approval.

6/ No investor may, at any time, be allowed to invest by holding both a domestic and a foreign investment permit.
17. Renewal of Investment Permit

1/ An investment permit shall be renewed every year until the investor commences the marketing of his products or services.

2/ An application for renewal of an investment permit shall be submitted and renewed with in one month after the end of a period of one year for which the permit remains valid.

3/ The appropriate investment organ shall renew the investment permit, where satisfied, as to the existence of sufficient cause for the delay in the commencement or completion of his project implementation.

4/ Notwithstanding the provision of sub-article (1) of this Article, any investor who has not commenced implementing his project within two years since the issuance of the investment permit, shall have his permit cancelled without any precondition.

18. Transfer of an Investment Project Under Implementation Phase

1/ Any investor wishing to transfer his project, which is under implementation phase and for which a business license is not yet issued, to another investor shall submit his request, by filling an application form designed for this purpose, to an appropriate investment organ and get the approval of same.

2/ The investor shall submit, together with his application specified in sub-article (1) of this Article, the following documents:

a) a photocopy of renewed investment permit;

b) a photocopy of the sales agreement authenticated by a notary;

c) a photocopy of land lease agreement transferred to the buyer as the case may be.

19. Suspension or Revocation of Investment Permit

1/ Where an investor violates the provisions of this Proclamation or regulations or directives issued to implement this Proclamation, the appropriate investment organ may suspend the investment permit until the investor takes due corrective measures.
2/ The appropriate investment organ may revoke an investment permit where it ascertains that:

a) the investor obtained the permit fraudulently or by submitting false information or statements;

b) incentives granted are misused or illegally transferred to another person;

c) the investor has failed, without good cause, to renew the permit in accordance with Article 17 of this Proclamation;

d) the investor fails to submit progress report of his project for two consecutive periods; or

e) the project can not commence operation within the period and the Agency believes the project will not be operational.

3/ The appropriate investment organ shall notify the concerned institutions as to the measures of revocation taken in accordance with this Article. Upon revocation of an investment permit, the investor shall immediately lose entitlements to all benefits.

4/ An investor whose investment permit is revoked shall return, within one month as of the day of revocation, all the benefits granted to him to the Ethiopian Revenue and Customs Authority and other appropriate organs.

5/ An investment permit may not be suspended or revoked by any organ other than the appropriate investment organ having issued same.

6/ An investor whose investment permit is revoked may not be issued with a new investment permit before the lapse of one year from the date of revocation.

20. Duty to Report and Cooperate

Any investor with investment permit shall:

1/ submit progress reports on the implementation of his project to the appropriate investment organ at the end of every three months; and
1/ Where any investor concludes a technology transfer agreement related to his investment, he shall submit same to the Agency for registration.

2/ An application for registration of a technology transfer agreement submitted in accordance with this Article shall fulfill the following:

a) a completed application form signed by the recipient of the technology;

b) a photocopy of the authenticated agreement between the recipient and provider of the technology;

c) a photocopy of a valid business license or investment permit of the recipient of the technology; and

d) a certificate of registration or business license of the provider of the technology.

3/ The Agency shall, upon receipt of a complete application for registration in accordance with sub-article (2) of this Article, issue a certificate of registration to the investor.

4/ A technology transfer agreement which is not registered with the Agency in accordance with this Article shall have no legal effect.

5/ The Agency shall notify the relevant federal executive organs the registration of technology transfer agreement made in accordance with this Article.
22. Export-Oriented Non-Equity Based Foreign Enterprise Collaboration Agreement

1/ Any domestic investor concluding a collaboration agreement with export-oriented non-equity based foreign enterprise shall register same with the Agency.

2/ An application for registration of a collaboration agreement made in accordance with this Article shall fulfill the following:
   a) a completed application form signed by the domestic investor;
   b) a photocopy of the authenticated collaboration agreement between the domestic investor and the foreign enterprise;
   c) a photocopy of a valid business license or an investment permit of the domestic investor; and
   d) a business registration certificate or a business license of the foreign enterprise.

3/ The Agency shall, upon receipt of a complete registration application in accordance with sub-article (2) of this Article, issue the certificate of registration to the investor.

4/ A collaboration agreement not registered with the Agency in accordance with this Article shall have no legal effect.

5/ The Agency shall notify the relevant federal executive organs the registration of the collaboration agreement made in accordance with this Article.

PART SIX
INVESTMENT INCENTIVES, GUARANTEES AND PROTECTION

23. Investment Incentives

1/ Areas of investment specified by regulation to be issued by the Council of Ministers pursuant to the investment objectives stated under Article 5 of this Proclamation shall be eligible for investment incentives.
2/ The regulation to be issued pursuant to sub-article (1) of this Article shall determine the type and extent of the entitlement to incentives.

24. **Ownership of Immovable Property**

1/ Notwithstanding the provisions from Article 390 to Article 393 of the Civil Code a foreign investor or a foreign national treated as domestic investor shall have the right to own a dwelling house and other immovable property requisite for his investment.

2/ The provisions of sub-article (1) of this Article shall also include those who have invested prior to the issuance of this Proclamation.

25. **Investment Guarantees and Protection**

1/ No investment may be expropriated or nationalized except for public interest and then, only in conformity with the requirements of the law.

2/ Adequate compensation, corresponding to the prevailing market value, shall be paid in advance in case of expropriation or nationalization of an investment for public interest.

3/ For the purpose of this Article the word "nationalization" shall be used interchangeably with the word "expropriation" and results in the payment of appropriate or adequate compensation.

26. **Remittance of Funds**

1/ Any foreign investor shall have the right, in respect of his approved investment, to make the following remittances out of Ethiopia in convertible foreign currency at the prevailing rate of exchange on the date of remittance:

a) profits and dividends accruing from the investment;

b) principal and interest payments on external loans;

c) payments related to a technology transfer agreement registered in accordance with Article 21 of this Proclamation;
d) payments related to a collaboration agreement registered in accordance with Article 22 of this Proclamation;

e) proceeds from the transfer of shares or of partial ownership of the enterprise to a domestic investor;

f) proceeds from the sale or liquidation of the enterprise; and

g) compensation paid to an investor pursuant to Article 25(2) of this Proclamation.

2/ Notwithstanding the provision of sub-article (1) of this Article, a local partner in a joint investment may not be allowed to remit funds out of Ethiopia.

3/ Expatriates employed in an enterprise may remit, in convertible foreign currency, salaries and other payments accruing from their employment in accordance with the foreign exchange laws of the country.

PART SEVEN
INVESTMENT ADMINISTRATION

27. Investment Administration Organs
The organs of investment administration comprise the Agency and regional investment organs to be defined by the laws of the respective regions.

28. Powers and Duties of the Agency
The Agency shall:

1/ serve as a nucleus for matters of investment and promote, coordinate and enhance activities thereon;

2/ initiate policy and implementation measures needed to create a conducive and competitive investment climate and follow up the implementation of same upon approval;
3/ negotiate bilateral investment promotion and protection treaties with other countries where potential investment is likely to flow into the country and sign same upon approval by the Council of Ministers;

4/ prepare and distribute pamphlets, brochures, films and other materials, and organize such activities as exhibitions, workshops and seminars locally or abroad as may be appropriate, participate in similar activities and conduct trainings with a view to encourage and promote investment and build the image of the country;

5/ realize liaison and coordination between investors, public offices, regional governments and other relevant organs, with a view to enhancing investment;

6/ collect, compile, analyze, update and disseminate any investment related information;

7/ prepare and promote concrete investment opportunity profiles, provide upon request, match-making service of possible joint investment partners;

8/ issue, renew and cancel investment permits within its jurisdiction and register investment capital brought into the country by foreign investors;

9/ register technology transfer agreements related to investments;

10/ register export-oriented non-equity based collaboration agreements made between a domestic investor and a foreign enterprise;

11/ monitor the implementation of investment projects for which it has issued permits, ensure that the terms of the investment permit are complied with and incentives granted to investors are used for the intended purposes;
12/ provide advisory service, information and technical support to investors and assist in the provision of information to ensure the existence of supply chains among investment projects;

13/ carry out post-investment support and monitoring services in collaboration with organs established for such purpose;

14/ provide advisory service and technical support which help strengthen regional investment organs; organize joint consultation forums;

15/ raise the awareness of investors on the contents of this Proclamation and regulations and directives issued hereunder;

16/ cause investment bottlenecks to be resolved in collaboration with appropriate government organs.

The Investment Board shall:

1/ supervise and follow up the implementation of this Proclamation and the activities of the Agency;

2/ decide on policy issues arising in connection with the implementation of this Proclamation;

3/ recommend, as necessary, amendments to this Proclamation and regulations issued hereunder;

4/ issue directives necessary for the implementation of this Proclamation and regulations issued hereunder;

5/ decide on appeals submitted to it by investors against decisions of the Director General of the Agency;

6/ where necessary, forward recommendations, for approval by the Council of Ministers, to grant new or additional incentives other than what is provided for under existing regulation;
where necessary, forward recommendations, for approval by the Council of Ministers, investment areas exclusively reserved for domestic investors to be open for foreign investors.

30. One-Stop Shop Service

1/ The Agency shall, in accordance with the relevant laws, provide one-stop shop services referred to in this Article for investors it has issued with investment permits engaging in areas of manufacturing in accordance with Article 4 of this Proclamation.

2/ The Agency shall provide the following services representing the competent federal or regional executive organs, as appropriate:

a) permitting exemption incentives from the payment of customs duty;

b) issuance of construction permit;

c) notarization of memorandum and articles of associations and amendments thereto;

d) effecting commercial registration, and renewal, amendment, replacement or cancelation of same;

e) effecting registration of trade or firm name, and amendment, replacement or cancelation of same;

f) issuance of work permits to expatriate employees, and renewal, replacement, suspension or cancelation of same;

g) issuance of business license;

h) grading of construction contractors;

i) issuance of tax identification number (TIN).

3/ Amendments, renewal, replacement and cancelation pertaining to the services referred to in paragraphs (c) to (f) of sub-article (2) of this Article shall only be made by the Agency until the investor is issued with a business license.
The Agency shall provide the following services on behalf of investors:

a) execution of investors' requests for land required for their investment projects;

b) execution of investors' requests for loan;

c) execution of foreign investors' requests for residence permits;

d) execution of investors' requests for approval of environmental impact assessment studies conducted on their investment projects; and

e) execution of investors' requests to acquire water, electrical power and telecom services.

For the implementation of sub-article (4) of this Article the appropriate federal executive organs shall establish investment desks that expedite and facilitate investors' requests submitted by the Agency. The regional executive organs may accept this practice and establish investment desks.

Without prejudice to the provision of sub-article (5) of this Article, the appropriate federal or regional executive organs shall take measures necessary to help the Agency properly discharge its duties specified under sub-article (4) of this Article.

Upon receipt of an application in accordance with sub-article (2) of this Article, the Agency shall, after examining the request in light of the relevant laws:

a) issue the necessary documents, upon receipt of the appropriate fee and causing the investor to enter an undertaking to observe the relevant laws of the country, where the application is found acceptable; or

b) notify the investor of its decision and the reason thereof in writing, where the application is found unacceptable.
8/ The Agency shall, after rendering the services provided for in sub-article (2) of this Article, notify the concerned federal and regional executive organs for the necessary follow up.

9/ Without prejudice to the requirements to be fulfilled in accordance with the relevant laws, an investor submitting his request to the Agency to be issued with a business license shall furnish his project feasibility study.

10/ Regional investment organs may give, to investors they have issued with investment permits, the one-stop shop services provided for in this Article, in accordance with the relevant federal and regional laws.

31. Investment Related Information

1/ The appropriate federal and regional executive organs shall transfer complete and updated information regarding land required for investment projects, investment capital brought into the country as well as other necessary investment related information to the Agency and regional investment organs in order to help them facilitate the proper discharge of their powers and duties under this Proclamation.

2/ Each regional investment organ shall transmit to the Agency information compiled with respect to the resource potential and investment opportunities of the region as well as periodic reports on investment activities therein.

3/ The appropriate investment organ shall compile, analyze and distribute, as necessary, the information it acquired pursuant to sub-article (2) of this Article.

4/ Any federal or regional executive organ shall have the duty to provide information relating to investment whenever so required by the appropriate investment organ.

32. Lodging of Complaints

1/ Any investor shall have the right to lodge complaints related to his investment with the appropriate investment organ.
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An investor who has a grievance against the decision of the appropriate investment organ may, within 30 days from receipt of the decision, appeal to the Investment Board or to the concerned regional organ, as may be appropriate.

PART EIGHT

INDUSTRIAL DEVELOPMENT ZONES

33. Establishment of Industrial Development Zones

1/ In order for the industrial sector to have a leading role in the economy of the country the federal government shall establish industrial development zones in regions.

2/ Without prejudice to the provision of Article 6 of this Proclamation industrial zone development shall be undertaken by the federal government or, where deemed necessary, by joint investment of the government and private sector.

34. Administration of Industrial Development Zones

1/ The organ responsible for administering and supervising industrial development zones shall be determined by regulation to be issued by the Council of Ministers.

2/ The organ to be designated by the Council of Ministers in accordance with sub-article (1) of this Article shall, in conformity with the procedures provided under this Proclamation and regulation issued hereunder, and the approved plans and agreements of the country, submit recommendations to the Council of Ministers for reduction or expansion of industrial development zone.

3/ Where the recommendation specified under sub article (2) of this Article is approved a leasehold land within or adjacent to industrial development zones may be possessed by negotiation or decision for the purpose of:

a) incorporating the land with existing industrial development zone;

b) getting passage to enter in to industrial development zones; or
c) maintaining natural resources, heritages and places required by law to be preserved.

35. Regulations Related to Industrial Development Zones

1/ An organ to engage in the federal government development activities of industrial development zone shall be established by regulation of the Council of Ministers.

2/ Matters concerning designation, allocation standard, boundary delimitation of industrial development zones, the rights and duties of investors engaged in, the services expected from the government and supervision theron, completion of construction activities and supervision thereof, incentives other than those under this Proclamation and the implementation of this Part of the Proclamation, shall be determined by the Council of Ministers regulation.

3/ Unless otherwise it is to be governed by this special Part and regulations based on the provisions of this special Part of this Proclamation, the provision of this Proclamation and regulations issued hereunder shall be applicable to industrial development zones.

PART NINE

MISCELLANEOUS PROVISIONS

36. Loans and Utilization of Foreign Currency

1/ An investor who acquires an external loan shall have such loan registered with the National Bank of Ethiopia in accordance with the directive of the Bank.

2/ For the purpose of his investment activities, any foreign investor shall be allowed to open and operate foreign currency accounts in authorized local banks in accordance with directive of the National Bank of Ethiopia.
37. Employment of Expatriates

1. Any investor may employ duly qualified expatriate experts required for the operation of his business.

2. An investor who employs expatriates pursuant to sub-article (1) of this Article, shall be responsible for replacing, within a limited period, such expatriate personnel by Ethiopians by arranging the necessary training thereof.

3. Notwithstanding the provisions of sub-article (1) and (2) of this Article, a foreign investor shall, without any restriction, have the right to employ expatriate employees on top management positions for his enterprise.

38. Duty to Observe Other Laws and Protection of Environment

Any investor shall have the obligation to observe the laws of the country in carrying out his investment activities. In particular, he shall give due regard to environmental protection.

39. Power to Issue Regulation

The Council of Ministers may issue regulations necessary for the implementation of this Proclamation.

40. Repealed and Inapplicable Laws

1. The Investment Proclamation No. 280/2002 (as amended) is hereby repealed.

2. No law or customary practice shall, in so far as it is inconsistent with this Proclamation, have effect with respect to matters provided for in this Proclamation.

41. Effective Date

This Proclamation shall enter into force on the date of publication in the Federal Negarit Gazeta.

Done at Addis Ababa, this 17th day of September, 2012.

GIRMA WOLDEGIORGIS

PRESIDENT OF THE FEDERAL
DEMOCRATIC REPUBLIC OF ETHIOPIA